

TOWNSHIP OF MARKEY
ROSCOMMON COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Markey Township	County Roscommon
Audit Date 3/31/04	Opinion Date 6/7/04	Date Accountant Report Submitted to State: 7/19/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) Keskine, Cook, Miller, Smith & Alexander LLP			
Street Address 100 West First Street	City Gaylord	State MI	ZIP 49735
Accountant Signature			

TOWNSHIP OFFICIALS

SUPERVISOR

ELDON THOMPSON

CLERK

ESTHER RONS

TREASURER

MARCIE DANKERT

ASSESSOR

JOANNE KORTGE

TRUSTEES

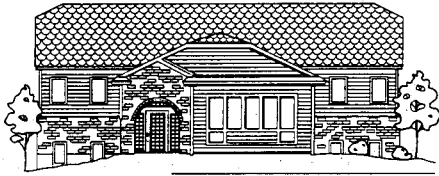
KELLY VAN-Y

DICK GARDNER

MARKEY TOWNSHIP

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Keskin, Cook, Miller, Smith & Alexander LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

June 7, 2004

To the Township Board
Markey Township
Roscommon County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major fund activities of the Township of Markey, as of and for the year ended March 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and the major fund activity of the Township of Markey as of March 31, 2004, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of March 31, 2004.

The management's discussion and analysis on pages 3-5 and budgetary comparison information on pages 27-32 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.


KESKINE, COOK, MILLER, SMITH & ALEXANDER, LLP

MARKEY TOWNSHIP

Township Offices Sanitary Drain Office
4974 E. Houghton Lake Dr.
Houghton Lake, Michigan 48629

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email: markey@i2k.com

MANAGEMENT'S DISCUSSION & ANALYSIS YEAR ENDED MARCH 31, 2004

This section of Markey Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2004. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Assets at March 31, 2004 totaled approximately \$1,800,000 for governmental activities and \$6,300,000 for business-type activities. Of these totals, approximately \$770,000 and \$5,200,000, respectively, represent capital assets net of depreciation.

Revenues derived from governmental activities were approximately \$750,000 (\$147,000 from program revenues and \$603,000 from general revenues). Overall expenses for the Township's governmental activities approximated \$795,000.

Revenues derived from business-type activities totaled approximately \$204,000 (\$192,000 from user charges and \$12,000 from general revenues). Expenditures were approximately \$280,000.

The Township has no outstanding debt. The Township purchased approximately \$7,500 in capital assets. Capital asset activity is addressed further in a subsequent section of this letter.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental activities and business type activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Township as a whole using accounting methods used by private companies. The statement of net assets includes all of the Township's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Township's assets and liabilities. This is one method to measure our financial health or position.

Over time, increases or decreases in the Township's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the Township, you may also have to consider additional factors such as tax base changes, facility conditions, and personnel changes.

Most of the activities of the Township are reported as governmental activities. These would include the operations recorded in the General, Fire/Ambulance, Road and Trash Funds. Sewer utility activities are treated as business-type activities where the revenues of the activity are designed to pay for the operations of the activity.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds, not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The Township has the following types of funds:

Governmental Funds: Most of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them.

Enterprise Funds: These funds represent activities in the government which are basically treated like private sector companies. These funds are designed to have revenues earned adequate to pay for the operations of the activity. These funds are presented on a full accrual method and will show no difference between the Township's government-wide statements and fund statements presentation.

Fiduciary Funds: The Township acts as a trustee and is responsible for insuring that the assets of these activities are collected and disbursed to the respective entities to which the funds belong. These activities do not appear in the Township's government-wide financial statements since the assets do not belong to the Township. The Township maintains a Tax Collection Fund in this category.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets: The Township's net assets – governmental activities decreased approximately \$43,000 during the year to total \$1,799,999. Net assets for business-type activities decreased \$77,000 to total \$6,266,305.

Governmental Activities: The decrease in net assets for governmental activities is due largely to the recognition of depreciation expense.

Business Type Activities: The decrease in net assets for business-type activities can be attributed to the cost of operating the sewer utility system exceeding the user charges.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund – This fund is used to record all activities of the Township not required to be recorded in a separate fund. The major source of revenue for the general fund is from the Township tax base, and revenue sharing from the State of Michigan. The major expenses for this fiscal year include the general operating activities of the Township.

Fire/Ambulance Fund – This fund is used to account for the property tax collections for fire/ ambulance services and charges to patients for ambulance runs. The main expenditure of this fund is the wages and fringes for fire/ambulance personnel.

Road Fund – This fund is used to account for financial transactions related to the repair and maintenance of the Township's roads. Revenues consist mainly of property taxes.

Trash Collection Fund – This fund is used to account for all financial transactions related to the Trash Collection service provided by the Township. Revenues are derived from property tax assessments.

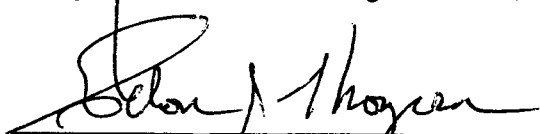
CAPITAL ASSET ACTIVITY

Capital Assets:

Additions to Township assets for this year includes new computer equipment for the Township, totaling approximately \$3,300, fire equipment totaling \$1,900, and the constructions of and equipment for a volleyball court, totaling approximately \$2,400.

CONTACTING TOWNSHIP MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors, and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report, please contact Mr. Eldon Thompson, Supervisor, at 4974 East Houghton Lake Drive, Houghton Lake, MI 48629, or by calling (989) 366-9614.



Mr. Eldon Thompson, Township Supervisor

**TOWNSHIP OF MARKEY
STATEMENT OF NET ASSETS
MARCH 31, 2004**

	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash	\$ 986,344	\$ 234,920	\$ 1,221,264
Investments	-	749,916	749,916
Receivables:			
Accounts (Net of Allowance for Doubtful Accounts of \$7,875)	14,625	44,195	58,820
Delinquent Taxes	40,226	7,576	47,802
Due from Tax Collection Fund	700	-	700
Special Assessments	-	56,602	56,602
Total Current Assets	1,041,895	1,093,209	2,135,104
Non-Current Assets:			
Capital Assets	1,016,059	7,542,391	8,558,450
Accumulated Depreciation	(247,276)	(2,369,295)	(2,616,571)
Total Non-Current Assets	768,783	5,173,096	5,941,879
Total Assets	1,810,678	6,266,305	8,076,983
LIABILITIES			
Current Liabilities:			
Accounts Payable	10,679	-	10,679
NET ASSETS			
Invested in Capital Assets	768,783	5,173,096	5,941,879
Net Assets, Restricted for:			
Fire/Ambulance Services	323,676	-	323,676
Road Repair and Maintenance	88,044	-	88,044
Trash Collection	193,039	-	193,039
Sewer Utilities	-	1,093,209	1,093,209
Unrestricted	426,457	-	426,457
Total Net Assets	\$ 1,799,999	\$ 6,266,305	\$ 8,066,304

See accompanying notes to financial statements.

**TOWNSHIP OF MARKEY
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2004**

		P R O G R A M R E V E N U E S			NET (EXPENSE)/REVENUES AND CHANGES IN NET ASSETS	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRI- BUTIONS	CAPITAL GRANTS & CONTRI- BUTIONS	GOVERN- MENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES
EXPENSES						
GOVERNMENTAL ACTIVITIES						
Township Administration	\$ (211,080)	\$ 14,708	\$ -	\$ -	\$ (196,372)	\$ -
Elections	(309)	-	-	-	(309)	-
Fire and Ambulance Services	(293,360)	74,464	-	-	(218,896)	-
Township Hall and Grounds	(45,487)	2,900	-	-	(42,587)	-
Road Repair and Maintenance	(50,615)	-	-	-	(50,615)	-
Trash Collection	(128,312)	-	-	-	(128,312)	-
Zoning	(66,232)	54,829	-	-	(11,403)	-
Total Governmental Activities	(795,395)	146,901	-	-	(648,494)	-
BUSINESS-TYPE ACTIVITIES						
Sewer Utilities	(280,742)	192,432	-	-	-	(88,310)
Total Business-Type Activities	(1,076,137)	339,333	-	-	(648,494)	(88,310)
GENERAL REVENUES						
Property Taxes Levied for:						
Operating Purposes					47,979	-
Fire/Ambulance Services					185,540	-
Road Repair and Maintenance					70,222	-
Trash Collection					104,412	-
State Shared Revenue (not restricted to specific purpose)					190,884	-
Interest Earnings					6,788	11,470
Other					112	-
Total General Revenues					605,937	11,470
Change in Net Assets					(42,557)	(76,840)
Net Assets - April 1					1,842,556	6,343,145
Net Assets - March 31					\$ 1,799,999	\$ 6,266,305

See accompanying notes to financial statements.

**TOWNSHIP OF MARKEY
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2004**

	<u>GENERAL</u>	<u>FIRE/ AMBULANCE</u>	<u>ROAD</u>	<u>TRASH</u>	<u>TOTAL</u>
ASSETS					
Cash	\$ 421,067	\$ 291,440	\$ 81,162	\$ 192,675	\$ 986,344
Receivables:					
Accounts (Net of Allowance for Doubtful Accounts of \$7,875)	-	14,625	-	-	14,625
Delinquent Taxes Due from Tax Collection Fund	4,690	17,781	6,882	10,873	40,226
	700	-	-	-	700
Total Assets	<u>426,457</u>	<u>323,846</u>	<u>88,044</u>	<u>203,548</u>	<u>1,041,895</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	-	170	-	10,509	10,679
Fund Equity:					
Fund Balance - Undesignated, Unreserved	426,457	323,676	88,044	193,039	1,031,216
	<u>\$ 426,457</u>	<u>\$ 323,846</u>	<u>\$ 88,044</u>	<u>\$ 203,548</u>	<u>\$ 1,041,895</u>

See accompanying notes to financial statements.

**TOWNSHIP OF MARKEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2004**

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES (PER BALANCE SHEET - PAGE 8)	\$ 1,031,216
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Amounts reported for governmental activities in the Statement of Net
Assets (page 6) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not used in the funds	768,783
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TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES (PER STATEMENT OF NET ASSETS - PAGE 6)	\$ 1,799,999
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See accompanying notes to financial statements.

TOWNSHIP OF MARKEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2004

	GENERAL	FIRE/ AMBULANCE	ROAD	TRASH	TOTAL
REVENUES					
Taxes and Assessments	\$ 47,979	\$ 185,540	\$ 70,222	\$ 104,412	\$ 408,153
State Shared Revenue	182,907	-	-	-	182,907
Charges for Services	21,086	74,149	-	-	95,235
Licenses and Permits	51,351	-	-	-	51,351
Interest	3,397	1,737	355	1,298	6,787
Rents and Royalties	450	315	-	-	765
Other	3,684	2,276	1,681	-	7,641
Total Revenues	310,854	264,017	72,258	105,710	752,839
EXPENDITURES					
General Government	321,985	-	-	-	321,985
Fire and Ambulance	-	255,612	-	-	255,612
Trash Removal	-	-	-	128,312	128,312
Roads	-	-	50,615	-	50,615
Total Expenditures	321,985	255,612	50,615	128,312	756,524
Excess (Deficiency) of Revenues over Expenditures	(11,131)	8,405	21,643	(22,602)	(3,685)
Fund Balance - April 1	437,588	315,271	66,401	215,641	1,034,901
Fund Balance - March 31	\$ 426,457	\$ 323,676	\$ 88,044	\$ 193,039	\$ 1,031,216

See accompanying notes to financial statements.

**TOWNSHIP OF MARKEY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2004**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL ACTIVITIES (PAGE 10)	\$	(3,685)
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Amounts reported for governmental activities in the Statement of
Activities (page 7) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives		7,626
Depreciation expense is recorded in the statement of activities but not the governmental fund financial statements		(46,498)

CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES (PER STATEMENT OF ACTIVITIES - PAGE 7)	\$	(42,557)
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See accompanying notes to financial statements.

**TOWNSHIP OF MARKEY
STATEMENT OF FUND NET ASSETS
SEWER FUND
MARCH 31, 2004**

ASSETS

Current Assets:

Cash	\$ 234,920
Investments	749,916
Receivables:	
Delinquent Taxes	7,576
Accounts Receivable	44,195
Special Assessments	56,602
Total Current Assets	<u>1,093,209</u>

Non-Current Assets:

Capital Assets	7,542,391
Accumulated Depreciation	(2,369,295)
Total Non-Current Assets	<u>5,173,096</u>
Total Assets	<u><u>6,266,305</u></u>

FUND NET ASSETS

Invested in Capital Assets	5,173,096
Net Assets	1,093,209
Total Fund Net Assets	<u><u>\$ 6,266,305</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MARKEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
SEWER FUND
YEAR ENDED MARCH 31, 2004

OPERATING REVENUES

Usage Fees	\$ 160,129
Other Charges	32,303
	<hr/>
Total Operating Revenue	192,432
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OPERATING EXPENSES

Wages and Fringes	27,226
Office supplies	2,247
Houghton Lake Sewer Authority Contractual Services	71,895
Professional Services	725
Telephone	1,391
Insurance	3,266
Utilities	33,286
Repairs and Maintenance	25,803
Inspection and Testing Fees	2,119
Depreciation	106,784
Transfer to General Fund for Administration	6,000
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Total Operating Expense	280,742
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Operating Income (Loss)	(88,310)
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Nonoperating Revenue-Interest	11,470
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Net Income (Loss)	(76,840)
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Fund Net Assets - April 1	6,343,146
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Fund Net Assets - March 31	\$ 6,266,306
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see accompanying notes to financial statements

**TOWNSHIP OF MARKEY
STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
SEWER FUND
YEAR ENDED MARCH 31, 2004**

Cash flows from operating activities:

Cash received from customers	\$ 160,993
Cash payments to suppliers for goods and services	(140,731)
Cash payments to employees and professional contractors for services	(33,227)
Net cash provided (used) by operating activities	(12,965)

Cash flows from non-capital financing activities:

Receipts from special assessments	32,855
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Cash flows from investing activities:

(Purchase)/redemption of investments	(22,074)
Investment income	11,470
Net cash provided (used) by investing activities	(10,604)

Net increase (decrease) in cash and cash equivalents	9,286
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Cash and cash equivalents at beginning of year	225,634
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Cash and cash equivalents at end of year	<u>\$ 234,920</u>
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Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating loss	\$ (88,310)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	106,784
Decrease in accounts receivable	(31,439)
Net cash used by operating activities	<u>\$ (12,965)</u>

See accompanying notes to financial statements.

**TOWNSHIP OF MARKEY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
MARCH 31, 2004**

ASSETS

Cash	\$	700
Delinquent Taxes Receivable		14,546
Total Assets		<u>15,246</u>

LIABILITIES

Due to General Fund		700
Due to Other Governments		14,546
Total Liabilities		<u>15,246</u>

NET ASSETS

Net Assets Held in Trust for Other Governments	\$	<u><u>-</u></u>
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See accompanying notes to financial statements.

**TOWNSHIP OF MARKEY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
YEAR ENDED MARCH 31, 2004**

ADDITIONS

Property taxes, interest, and penalties collected for Markey Township	\$ 372,540
Property taxes, interest, and penalties collected for other governments	2,344,697
Total Additions	<u>2,717,237</u>

DEDUCTIONS

Payments to Markey Township	372,540
Payments to other governments	2,344,697
Total Deductions	<u>2,717,237</u>

Change in Net Assets	<u>-</u>
Net Assets Held in Trust for Other Governments - April 1	<u>-</u>
Net Assets Held in Trust for Other Governments - March 31	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE A: ENTITY

The Township of Markey is a general law township of the State of Michigan organized in 1879, located in Roscommon County, Michigan. It operates under an elected board and provides services to its residents in many areas including public safety, community enrichment, and human services. The criteria for determining the various governmental organizations to be included in the reporting entity's financial statements include oversight responsibility, scope of public service and special financing relationships. On this basis, the financial statements include all of the governmental functions of Markey Township.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Markey Township are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations including required disclosures of the Township's financial activities.

The accounting policies of Markey Township conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, the Township adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Township's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Township as a whole, excluding fiduciary activities such as tax collection activities.

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION
(CONTINUED))**

Government-Wide Financial Statements (Continued)

Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, enterprise, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental funds:

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants and other inter-governmental revenues.

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION
(CONTINUED)**

FUND TYPES AND MAJOR FUNDS (CONTINUED)

Governmental Funds (Continued)

Fire/Ambulance Fund – This fund is used to account for all financial activity related to the Township's fire and ambulance services. The main source of revenue is derived from property taxes and ambulance fees.

Road Fund – This fund is used to account for the financial activity related to the repair and maintenance of Township roads. Revenues are derived primarily from property taxes.

Trash Fund – This fund is used to account for the Township's trash pick-up services. Revenues are derived from property tax assessments.

Enterprise Funds

Enterprise funds report operations that provide services which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control, or other purposes.

The Township records the following major enterprise fund:

Sewer – This fund is used to account for the Township's sewer utility services. Revenues are derived from user charges.

Other Funds

Fiduciary Funds - These funds are used to account for assets held in trust or as an agent for others. Tax collection activities are recorded in this category. Fiduciary activities are not reported in the government-wide financial statements, in accordance with GASB Statement No. 34.

The Township has no non-major funds.

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments.

Enterprise and Fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available.

Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 15; uncollected amounts are subsequently added to the county delinquent tax rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2003, are recorded as revenue in the current year. The Township's taxable value for the 2003 tax year totaled \$95,514,552.

The tax rates for the year ended March 31, 2004, were as follows:

PURPOSE	RATE/ASSESSED VALUATION
General	0.5000 mills per \$1,000
Fire/Ambulance	2.0000 mills per \$1,000
Road	0.7337 mills per \$1,000

BUDGET

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. The Township overspent its budget in the Trash Fund in the amount of \$1,387.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional and activity basis. The approved budgets of the Township for these budgetary funds were adopted on an activity level. Budgets as adopted end on March 31 of each year. There are no carryover budget items.

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, and equipment, with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalizes assets with historical cost of \$1,500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Computers and peripherals	1 – 3 years
Office furniture	5 – 20 years
Township vehicles	4 – 7 years
Buildings and improvements	25 – 40 years
Land improvements	10 – 20 years
Machinery and equipment	5 – 10 years
Fire Trucks and Ambulances	20 years
Fire and Ambulance equipment and peripherals	25 – 30 years

Land and construction in progress are not depreciated.

For information describing capital assets, see Note E.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS**

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

At this time, the Township has no outstanding long-term debt.

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governments and, as much, include amounts based on informed estimates and judgements of management with consideration given to materiality. Actual results could differ from those estimates.

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE C: CASH AND INVESTMENTS

The Township combines various cash fund accounts to enhance investment income. At March 31, 2004, such amounts and fund balances were as follows:

	<u>CARRYING AMOUNT</u>
General	\$ 38,727
Sewer	4,588
Ambulance/Fire	7,297
	<u>\$ 50,612</u>

Negative balances exist from time to time among funds for short periods of time. Such balances are non-interest bearing in nature.

Cash and equivalents consists of all cash on hand, checking and savings accounts, and certificates of deposit with an initial maturity of three months or less.

All cash deposits are maintained in financial institutions in the Houghton Lake, Michigan area. The Township's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the Township at fiscal year-end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the Township or by its agent in the Township's name.

Category 2 – Collateralized with securities held by the pledging financial Institution's trust department or agent in the Township's name.

Category 3 – Uncollateralized.

	<u>BANK BALANCE</u>	<u>1</u>	<u>CATEGORY 2</u>	<u>3</u>	<u>CARRYING AMOUNT</u>
Pooled Checking	\$ 50,612	\$ 50,612	\$ -	\$ -	\$ 50,612
Money Market					
Funds:					
General	382,140	100,000	-	282,140	382,140
Road	81,162	-	-	81,162	81,162
Fire/Amb.	284,143	-	-	284,143	284,143
Garbage	192,675	-	-	192,675	192,675
Sewer	230,132	-	-	230,132	230,132
Petty Cash	-	-	-	-	400
Total Cash Dep.	<u>\$1,530,246</u>	<u>\$ 150,612</u>	<u>\$ -</u>	<u>\$1,070,252</u>	<u>\$1,221,264</u>
Trust & Agency	<u>\$ 810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 810</u>	<u>\$ 700</u>

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE C: CASH AND INVESTMENTS (CONTINUED)

The investments of the Township include investments in a trust money market fund. Investments held by the bank include commercial paper, repurchase agreements, reverse repurchase agreements, and bankers acceptances. Investments are carried at cost, plus accrued interest. The Governmental Standards Board Statement Number 3 Risk Disclosure for the Township's investments are as follows:

INVESTMENT TYPE	(1)	(2)	(3)	CARRYING AMOUNT
Certificates of Deposit	<u>\$ 100,000</u>	<u>\$ 649,916</u>	<u>\$ -</u>	<u>\$ 749,916</u>

- (1) Insured and registered, or securities held by the Township or the Township's Agent in the Township's name.
- (2) Uninsured and unregistered, with securities held by the counter party's trust department or its agent in the Township's name.
- (3) Uninsured and unregistered, with securities held by the counter party's trust department or agent but not the Township's name.

The Township's investments are in accordance with statutory authority.

NOTE D: ACCOUNTS RECEIVABLE

SEWER UTILITIES

Sewer usage fees due from customers are categorized as follows:

Current	\$ 39,527
30-90 days	4,302
Over 90 days	<u>366</u>
TOTAL SEWER FUND	<u>\$ 44,195</u>

Such amounts are managed and collected by the Houghton Lake Sewer Authority. No allowance for doubtful accounts is required since delinquent accounts are added annually to the tax rolls and becomes liens on the property.

The special assessment receivable at March 31, 2004 was \$56,602.

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE D: ACCOUNTS RECEIVABLE (CONTINUED)

AMBULANCE COLLECTIONS

The amount of outstanding ambulance collections due from patients at March 31, 2004 is as follows:

Accounts receivable	\$ 22,500
Allowance for doubtful accounts	<u>(7,875)</u>
Net accounts receivable	<u>\$ 14,625</u>

Management has estimated 65% of total outstanding receivables to be collectible, based on historical collectibility data.

NOTE E: CAPITAL ASSETS

	<u>CAPITAL ASSETS NOT DEPRECIATED</u>	<u>CAPITAL ASSETS DEPRECIATED</u>			
	<u>Land</u>	<u>Buildings & Components</u>	<u>Machinery & Equipment</u>	<u>Data Handling Equip</u>	<u>Totals</u>
Governmental Activities					
Balance, April 1, 2003	\$ 93,964	\$ 237,421	\$ 677,046	\$ -	\$1,008,431
Increases	-	-	4,313	3,315	7,628
Decreases	-	-	-	-	-
Balance, March 31, 2004	<u>93,964</u>	<u>237,421</u>	<u>681,359</u>	<u>3,315</u>	<u>1,016,059</u>
Accumulated Depreciation					
Balance, April 1, 2003	-	78,281	122,497	-	200,778
Increases	-	5,936	39,899	663	46,498
Decreases	-	-	-	-	-
Balance, March 31, 2004	<u>-</u>	<u>84,217</u>	<u>162,396</u>	<u>663</u>	<u>247,276</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 93,964</u>	<u>\$ 153,204</u>	<u>\$ 518,963</u>	<u>\$ 2,652</u>	<u>\$ 768,783</u>
Business-Type Activities					
Balance, April 1, 2003	\$ -	\$ -	\$7,542,391	\$ -	\$7,542,391
Increases	-	-	-	-	-
Decreases	-	-	-	-	-
Balance, March 31, 2004	<u>-</u>	<u>-</u>	<u>\$7,542,391</u>	<u>-</u>	<u>7,542,391</u>
Accumulated Depreciation					
Balance, April 1, 2003	\$ -	\$ -	\$2,262,511	-	\$2,262,511
Increases	-	-	106,784	-	106,784
Decreases	-	-	-	-	-
Balance, March 31, 2004	<u>-</u>	<u>-</u>	<u>\$2,369,295</u>	<u>-</u>	<u>\$2,369,295</u>
Business-Type Activities					
Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,173,096</u>	<u>\$ -</u>	<u>\$5,173,096</u>
Capital Assets, Net	<u>\$ 93,964</u>	<u>\$ 153,204</u>	<u>\$5,692,059</u>	<u>\$ 2,652</u>	<u>\$5,941,879</u>

**TOWNSHIP OF MARKEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE E: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities

Business-Type Activities

Township Administration	\$ 1,791	Sewer Utilities	<u>\$ 106,784</u>
Fire/Ambulance	39,647		
Township Hall & Grounds	5,060		
Total	<u>\$ 46,498</u>		

NOTE F: FUND BALANCE/NET ASSETS

CALCULATION OF BEGINNING NET ASSETS

The Township adopted GASB Statement No. 34 effective April 1, 2003. The following represents the reconciliation of the Townships fund balance as of April 1, 2003, to its beginning net assets balance, as presented in the Statement of Activities, for the year ended March 31, 2004:

Total Fund Balance, April 1, 2003	\$1,034,901
Record capital assets	1,008,433
Record accumulated depreciation	<u>(200,778)</u>
Beginning Net Assets, April 1, 2003	<u>\$1,842,556</u>

NOTE G: CONTINGENCIES

INSURANCE

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters.

The Township participates in the Michigan Township Participating plan, a self insured group. The pool is considered a public entity risk pool. The Township pays annual premiums to the pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims for each occurrence with the overall maximum coverage varying depending on the specific type of coverage of reinsurance. The Township has not been informed of any special assessments being required. There were no significant changes in coverage.

TOWNSHIP OF MARKEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Taxes and Assessments	\$ 47,854	\$ 48,165	\$ 47,979	\$ (186)
State Grants:				
State Shared Revenues	180,000	180,000	174,930	(5,070)
State Swamp Tax	8,000	8,000	7,977	(23)
Total State Grants	188,000	188,000	182,907	(5,093)
Charges for Services:				
Summer Tax Collection	8,650	8,650	8,708	58
Cemetery Lots and Grave	11,000	11,000	2,900	(8,100)
Penalties and Interest	2,000	2,000	780	(1,220)
Zoning Fees	1,640	1,640	1,922	282
Administrative Fees-Sewer	6,000	6,000	6,000	-
Total Charges for Services	29,290	29,290	20,310	(8,980)
Licenses and Permits	3,000	3,000	3,664	664
Rents and Royalties	600	600	450	(150)
Interest	5,000	5,000	3,397	(1,603)
Building Agency	48,000	48,000	47,687	(313)
Refunds and Reimbursements	1,000	2,855	2,187	(668)
Miscellaneous	1,600	1,600	2,273	673
Total Revenues	324,344	326,510	310,854	(15,656)

TOWNSHIP OF MARKEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
GENERAL GOVERNMENT				
Township Board:				
Salaries-Board	7,368	7,368	7,401	(33)
Fringe Benefits	58,515	58,515	56,890	1,625
Office Supplies	5,836	12,138	11,168	970
Grave Openings	4,500	4,500	200	4,300
Professional Services	900	1,985	1,085	900
Printing and Publishing	2,400	2,400	2,303	97
Insurance and Bonds	7,000	9,400	9,804	(404)
Education and Training	300	300	175	125
Milfoil Contribution	25,000	25,000	-	25,000
Miscellaneous	540	540	398	142
Total Township Board	112,359	122,146	89,424	32,722
Township Supervisor:				
Salaries	17,740	16,740	18,417	(1,677)
Office Supplies	50	50	49	1
Travel	300	300	360	(60)
Education and Training	300	300	321	(21)
Total Supervisor	18,390	17,390	19,147	(1,757)
Election Board:				
Office Supplies	860	860	309	551
Operating Supplies and Other	995	995	-	995
Total Election Board	1,855	1,855	309	1,546
Township Assessor:				
Assessor Salary	25,935	25,935	25,773	162
Assistant Salary	8,000	-	5,766	(5,766)
Office Supplies and Equipment	2,675	2,675	2,257	418
Contractual	1,075	1,220	857	363
Tax Roll Preparation	11,000	11,000	11,769	(769)
Total Assessor	48,685	40,830	46,422	(5,592)
Township Clerk:				
Salaries	29,076	29,076	29,286	(210)
Office Supplies and Other	100	100	310	(210)
Travel	250	250	225	25
Education and Training	1,000	1,000	842	158
Total Clerk	30,426	30,426	30,663	(237)

TOWNSHIP OF MARKEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Board of Review:				
Salaries	1,000	1,000	162	838
Supplies	140	140	114	26
Printing and Publishing	75	75	135	(60)
Education and Training	200	200	22	178
Total Board of Review	1,415	1,415	433	982
Township Treasurer:				
Treasurer - Salary	25,036	25,036	25,010	26
Office Supplies	100	240	238	2
Travel	700	700	682	18
Education and Training	1,800	1,800	586	1,214
Total Treasurer	27,636	27,776	26,516	1,260
Township Hall and Grounds:				
Salary	8,000	8,000	9,144	(1,144)
Operating Supplies	1,600	1,600	1,537	63
Township Hall Cleaning	1,260	1,260	1,418	(158)
Contractual Services	-	-	-	-
Dues and Memberships	1,700	3,401	1,701	1,700
Telephone	1,800	1,800	1,541	259
Travel	1,250	1,250	816	434
Public Utilities	2,950	2,950	2,959	(9)
Street Lights	11,600	11,600	11,525	75
Repair and Maintenance	5,000	6,350	4,003	2,347
Equipment	7,900	10,260	8,195	2,065
Total Township Hall and Grounds	43,060	48,471	42,839	5,632
Zoning:				
Salaries	14,545	14,545	12,761	1,784
Office Supplies	1,000	1,000	388	612
Professional Services	2,300	2,975	3,458	(483)
Travel and Meals	450	450	412	38
Printing and Publishing	1,500	1,500	1,119	381
Education and Training	1,000	100	407	(307)
Total Zoning	20,795	20,570	18,545	2,025
Building Agency	47,000	47,000	47,687	(687)
Total General Government Expenditures	351,621	357,879	321,985	35,894
Excess (Deficiency) of Revenues over Expenditures	(27,277)	(31,369)	(11,131)	20,238
Fund Balance - April 1	437,588	437,588	437,588	-
Fund Balance - March 31	\$ 410,311	\$ 406,219	\$ 426,457	\$ 20,238

**TOWNSHIP OF MARKEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE/AMBULANCE FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Taxes and Assessments	\$ 232,450	\$ 232,450	\$ 185,540	\$ (46,910)
Charges for Services	90,000	90,000	74,149	(15,851)
Interest	3,500	3,500	1,737	(1,763)
Rents and royalties	-	-	315	315
Other	2,100	2,100	2,276	176
Total Revenues	328,050	328,050	264,017	(64,033)
EXPENDITURES				
Wages and Fringe Benefits	134,941	134,941	124,919	10,022
Supplies and Small Equipment	11,500	11,500	10,307	1,193
Repair and Maintenance	14,500	14,500	16,891	(2,391)
Contractual Services	52,500	52,500	47,062	5,438
Utilities	8,800	8,800	11,027	(2,227)
Insurance	16,000	16,000	20,055	(4,055)
Fuel	2,600	2,600	3,048	(448)
Education and Training	6,000	6,000	6,104	(104)
Capital Outlay	42,200	42,200	13,166	29,034
Miscellaneous	2,395	2,395	3,033	(638)
Total Expenditures	291,436	291,436	255,612	35,824
Excess (Deficiency) of Revenues over Expenditures	36,614	36,614	8,405	(28,209)
Fund Balance - April 1	315,271	315,271	315,271	-
Fund Balance - March 31	\$ 351,885	\$ 351,885	\$ 323,676	\$ (28,209)

TOWNSHIP OF MARKEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROAD FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Taxes and Assessments	\$ 70,720	\$ 70,720	\$ 70,222	\$ (498)
Interest	600	600	355	(245)
Other	13,870	13,870	1,681	(12,189)
Total Revenues	85,190	85,190	72,258	(12,932)
EXPENDITURES				
Road Construction and Repairs	67,661	67,661	45,416	22,245
Road Signs and Other	5,225	5,225	5,199	26
Total Expenditures	72,886	72,886	50,615	22,271
Excess (Deficiency) of Revenues over Expenditures	12,304	12,304	21,643	9,339
Fund Balance - April 1	66,401	66,401	66,401	-
Fund Balance - March 31	<u>\$ 78,705</u>	<u>\$ 78,705</u>	<u>\$ 88,044</u>	<u>\$ 9,339</u>

TOWNSHIP OF MARKEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRASH FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Taxes and Assessments	\$ 104,500	\$ 104,500	\$ 104,412	\$ (88)
Interest	2,750	2,750	1,298	(1,452)
Total Revenues	<u>107,250</u>	<u>107,250</u>	<u>105,710</u>	<u>(1,540)</u>
EXPENDITURES				
Contract Charges	125,100	125,100	126,708	(1,608)
Miscellaneous	1,825	1,825	1,604	221
Total Expenditures	<u>126,925</u>	<u>126,925</u>	<u>128,312</u>	<u>(1,387)</u>
Excess (Deficiency) of Revenues over Expenditures	(19,675)	(19,675)	(22,602)	(2,927)
Fund Balance - April 1	215,641	215,641	215,641	-
Fund Balance - March 31	<u>\$ 195,966</u>	<u>\$ 195,966</u>	<u>\$ 193,039</u>	<u>\$ (2,927)</u>